



## 97TH GENERAL ASSEMBLY

### State of Illinois

### 2011 and 2012

### HB1872

by Rep. Renée Kosel

#### SYNOPSIS AS INTRODUCED:

- 40 ILCS 5/3-110.11 new
- 40 ILCS 5/5-237.5 new
- 30 ILCS 805/8.35 new

Amends the Downstate Police Article of the Illinois Pension Code. Authorizes a person, for 60 days after the effective date of the amendatory Act, to transfer up to 10 years of creditable service from an Article 5 police pension fund to an Article 3 police pension fund after paying to the Article 3 fund an amount that is determined by its board to be equal to (i) the difference between the amount of employee and employer contributions transferred to the fund from the Article 5 fund and the amounts that would have been contributed had they been made under Article 3 plus (ii) interest on the difference at the actuarially assumed rate, compounded annually, from the date of service to the date of payment. Amends the Chicago Police Article of the Illinois Pension Code. Provides that, upon receiving a written application to make such a transfer, the Article 5 fund shall pay employee contributions, employer contributions, and interest to the Article 3 fund. Provides that the transferee's participation under Article 5 ends upon the making of the transfer. Authorizes the reinstatement of service credit prior to transfer. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB097 08452 JDS 48579 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by adding  
5 Section 3-110.11 and 5-237.5 as follows:

6 (40 ILCS 5/3-110.11 new)

7 Sec. 3-110.11. Transfer of creditable service from Article  
8 5 fund. For a period of 60 days after the effective date of  
9 this Section, a person may transfer to a fund established under  
10 this Article up to 10 years of creditable service accumulated  
11 under Article 5 of this Code upon payment to the fund of an  
12 amount to be determined by the board, equal to (i) the  
13 difference between the amount of employee and employer  
14 contributions transferred to the fund under Section 5-237.5 and  
15 the amounts that would have been contributed had such  
16 contributions been made at the rates applicable to an employee  
17 under this Article, plus (ii) interest thereon at the  
18 actuarially assumed rate, compounded annually, from the date of  
19 service to the date of payment.

20 (40 ILCS 5/5-237.5 new)

21 Sec. 5-237.5. Transfer of creditable service to Article 3  
22 fund.

1       (a) Any person who is an active participant in a pension  
2       fund established under Article 3 of this Code may, for a period  
3       of 60 days after the effective date of this Section, apply for  
4       transfer of his or her credits and creditable service  
5       accumulated in this Fund to that Article 3 fund. Upon receipt  
6       of a written application to make this transfer, the Fund shall  
7       pay to the Article 3 fund an amount consisting of:

8               (1) the amounts credited to the applicant through  
9               employee contributions, plus accumulated interest; plus

10              (2) an amount representing municipality contributions,  
11              equal to the amount determined under item (1); plus

12              (3) any interest paid to the Fund in order to reinstate  
13              credits and creditable service under subsection (b).

14       Participation in this Fund shall terminate on the date of the  
15       transfer.

16       (b) As part of a transfer under subsection (a), a person  
17       may reinstate credits and creditable service that was  
18       terminated upon receipt of a refund, by paying to the Fund the  
19       amount of the refund plus interest thereon at the rate of 6%  
20       per year, compounded annually, from the date of the refund to  
21       the date of payment.

22               Section 90. The State Mandates Act is amended by adding  
23       Section 8.35 as follows:

24               (30 ILCS 805/8.35 new)

1       Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8  
2       of this Act, no reimbursement by the State is required for the  
3       implementation of any mandate created by this amendatory Act of  
4       the 97th General Assembly.

5       Section 99. Effective date. This Act takes effect upon  
6       becoming law.